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ARIZONA CORPORATION COMMISSION

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April 7, 2009

Commissioner Gary Pierce
Commissioner Paul Newman
Commissioner Sandra Kennedy
Commissioner Bob Stump

Re: Proposed Special Open Meeting Regarding Southern California Edison's Palo Verde Devers II Project ("PVD2"); Docket No. E-00000P-08-0570.

Dear Colleagues:

I am writing in regard to the report filed on February 9, 2009 by Southern California Edison ("SCE") summarizing its progress toward modifying PVD2 to incorporate additional Arizona benefits. In response to a request by this Commission, SCE worked with Arizona utilities and other entities, through Meet and Confer meetings, to gather information about an improved PVD2 proposal.

SCE has docketed a report asserting that several key circumstances have changed surrounding the proposed transmission line. In order to update the Commission and provide an opportunity to discuss the Meet and Confer report with interested parties, I think it would be helpful to schedule a future Special Open Meeting with all participants in the Meet and Confer process.

Additionally, in light of recent Federal Energy Regulatory Commission ("FERC") decisions addressing merchant transmission and federal stimulus funds available for high voltage transmission projects through the Department of Energy ("DOE") and the Western Area Power Administration ("WAPA"), I am interested in information concerning opportunities which may be available for third parties to participate in this kind of project. For example, I would like interested participants to address the possibility of WAPA construction of the Arizona portion of the line, with the potential for an Arizona utility buy-out option of ownership rights in the line at some future date. In this discussion, I would like information from the interested parties on their views of possible impacts on Arizona ratepayers under these circumstances.

I look forward to discussing this proposed Commission Special Open Meeting at an upcoming Staff Meeting, including discussion of setting a date certain for this Special Open Meeting.

Sincerely,

Kris Mayes
Chairman

Cc: Ernest Johnson
Janice Alward
Lyn Farmer
Mike Kearns
Rebecca Wilder